



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony Insurance and Real Estate Committee March 10, 2016

Senate Bill No. 370 An Act Concerning Health Care Provider Lists and Authorizing Pregnancy as a Qualifying Event for Special Enrollment Periods.

Senator Crisco, Representative Megna, Ranking Members, and members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit written testimony in opposition to **Senate Bill No. 370 An Act Concerning Health Care Provider Lists and Authorizing Pregnancy as a Qualifying Event for Special Enrollment Periods.**

Section 2 expands the qualifying events for special enrollment periods to include pregnancy. While the Connecticut Insurance Department appreciates the intent of this bill, it cautions the Insurance and Real Estate Committee that expanding special enrollments for specific conditions or illnesses could lead to adverse selection and increased premiums. Per the ACA, plans are required to be guaranteed issue and pre-existing condition limitations are prohibited, therefore, allowing special enrollments for conditions such as pregnancy could encourage individuals to wait and only purchase insurance when treatment is needed. Insurance is based on the pooling of risk and spreading the cost over all enrollees for the premium period. When individuals purchase insurance only at the time when service is needed, the insurance principles are diminished and premiums must increase to cover such costs. It is important to note that pregnancy is not a qualifying event for special enrollment under the Affordable Care Act.

In addition, the Department appreciates the intent of section 1, however, the Department wishes to flag for the committee the Department's network adequacy bill, **Senate Bill No. 433 An Act Concerning Standards and Requirements for Health Carriers' Provider Networks and Contracts Between Health Carriers and Participating Providers.** In S.B. 433, there is a more robust list of requirements for carriers to inform insureds of providers' statuses within their network. In S.B. 433, there are requirements for providers to supply to carriers their name, address, specialty, and language spoken, but also whether they are accepting new patients, their gender, medical group affiliations, facility affiliations, participating office locations, and participating facility affiliations. Carriers must post all of this on their internet website to be updated at least monthly. The Department feels as though the requirements outlined in S.B. 433 more adequately reflect the needs of health consumers and would urge the committee to support that language S.B. 433.

The Department thanks the Insurance and Real Estate Committee Chairs and members for the opportunity to submit testimony on S.B. 370.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. For every dollar of direct expense, the Department brings in about \$7.45 to the state in revenues. Each year, the Department returns more than \$215 million in assessments, fees and penalties to the state's General Fund.